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ABSTRACT

Reasons for opposing no-need scholarships are suggested. When offered by institutions, the purposes of no-need scholarships are to lure strong students away from other institutions and to enlarge the applicant group. When offered by government, the purposes may be political or ideological, or both. Eight reasons for opposing no-need scholarships are identified. First, these scholarships offered by institutions erode the principle that, when possible, students should select colleges on the basis of educational considerations. Second, no-need scholarships ignore the principle that the limited funds available for financial aid should support college attendance by qualified students who could not otherwise afford to enroll. The third reason is that no-need scholarships reject the principle that college education should be made available to qualified students of all socioeconomic levels. Fourth, no-need scholarships, when labeled as "academic merit" prizes, weaken the principle that academic achievement should be its own reward. The fifth reason for opposing no-need scholarships is that such scholarships contradict policy statements of the major needs analysis services, and most state and federal financial aid programs. Sixth, no-need scholarships damage the image of higher education by encouraging "bidding wars" and other excesses in student recruitment. The seventh and eighth reasons for opposing no-need scholarships involve the integrity of higher education as a whole and the fact that such scholarships are not economically viable in the long run. (SW)

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Session 85
Friday, March 16, 1984

Merit and No-Need: The Debate Over Scholarships*

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I am opposed to no-need scholarships. Some say I am fanatically opposed to them. When they are offered by institutions, which is usually the case, I call them enticement scholarships. When they are offered by government, which is rare but threatens to become common, I call them irresponsible and immoral. I believe that no-need scholarships are wrong--wrong for society, wrong for institutions, and wrong for students, even those who receive them.

Having made my position known, perhaps I should sit down right now, but what fanatic would miss an opportunity like this? After all, in this room are people who can and will make decisions regarding no-need scholarships. On the other hand, as an experienced fanatic I know that most of you have by now retreated to a secure position on this issue; you may be here only because in March in Chicago it seems more sensible to be inside than out. But in the hope that there might be a few here who can be swayed by logic, I shall forge ahead and try to offer some.

Most of you are familiar with the historical context basic to any discussion of no-need scholarships, but perhaps I should summarize it briefly. Through the 1940's, attraction of students and upgrading of student quality were traditional objectives of scholarship programs. There was no system of financial needs analysis, and so if a scholarship served to meet a student's financial need this was either accidental or based on a purely local and probably very informal determination of need. In the 1950's, though, with the emergence of the College Scholarship Service and its financial needs analysis procedures, most colleges welcomed the opportunity to participate in a system that allocated scarce resources where they were most needed. With the exception of athletic scholarships, whose eradication was resisted strongly by the athletic establishment at many institutions, for the most part need-based financial aid replaced no-need scholarships. (This development did not exclude "merit" from consideration in awarding funds, as some erroneously imply; at selective institutions merit was and is implicit in admission, which is of course a prerequisite for financial aid, and at a great many institutions merit was and is the major factor considered in determining which needy students receive aid and how attractively the grant and self-help components of the need-based award are packaged.) Recently, as anyone who reads The Chronicle is aware, the use of no-need awards has returned with a vengeance, and that is why we are all here today talking about them.

It is often pointed out that no-need scholarships are the means by which institutions can "buy brains," but that tells only part of the story. Enticement scholarships also buy brawn, as in the case of athletic scholarsips. And in still other instances neither brains nor brawn is involved, for increasingly enticement scholarships are used simply to buy bodies to fill otherwise empty beds. If brains or brawn--or, mirabile dictu, both brains and brawn--happen to be encased in the bodies, that's simply a happy coincidence.

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When brains are bought, the criteria used for selecting the scholarship recipients are usually rigorous enough to assure that most of those receiving awards will be competent scholars. When brawn is bought, evaluation by coaches whose livelihood depends on an accurate assessment normally means that recipients will be able to throw a neat spiral through a swinging automobile tire, dunk with both hands simultaneously or separately, or move quickly to their left without ever having their feet leave the ground. When just a body is bought, though, deficient in both brains and brawn, the institution can hardly argue that its purpose is to reward outstanding scholarship or bring glory to Old Siwash. The purposes are, first, to bolster the budget by the amount that the student pays after his scholarship (really a discount) has been deducted, and , secondly, to escape the embarrassment of being underenrolled.

With the exception of athletic scholarships, whose main purpose is implicit in their name, most no-need scholarships come in disguise. They are described as "recognition for outstanding scholastic achievement" or "assistance for the neglected middle class," and given high-sounding names: presidential prizes, trustee scholarships, and so on. "Merit scholarship" is the generic term currently in favor. It's a good one, because it quells the opposition. It's very difficult to argue against either "merit" or "scholarship," and therefore anyone opposed to "merit scholarships" is two strikes behind in the count even before stepping to the plate. Meanwhile, the true purposes of these scholarships are concealed behind the veil of pious rhetoric. When offered by institutions, their purposes are to lure strong students away from other, more attractive institutions, and to enlarge the applicant group by preying on the many who hope, often quite unrealistically, that they will be chosen as scholarship recipients. When offered by government, the purposes may be political or idealogical or both. I can't resist observing, though, that enticement scholarships fit in nicely with the current federal administration's systematic effort to reduce expenditures for the needy and increase benefits for the well-to-do.

There are eight major reasons why I oppose no-need scholarships, for whatever purpose and by whatever name.

First, no-need scholarships offered by institutions erode the principle, generally accepted by college guidance personnel, that whenever possible students should select colleges on the basis of educational considerations, not financial inducements. Often they put students in an unfortunate and sometimes even tragic position of having to attend a college they don't prefer, simply because of perceived financial benefit to their parents.

Second, no-need scholarships ignore the principle, widely accepted during the thirty years since it became feasible to determine financial need, that the limited funds available for financial aid should support college attendance by qualified students who could not otherwise afford to enroll.

Third, no-need scholarships reject the principle that to the extent possible college education should be made available to qualified students of all socio-economic levels. The use of funds to attract students who could pay their own way -- and who would attend college with or without a scholarship -- directly or indirectly denies use of these funds to deserving but needy students. This puts colleges in the position of supporting a system whereby the rich get richer and the poor get poorer, widening the already frightening gap between the "haves" and the "have-nots" in our society. It is in this respect, unfortunately, that no-need scholarships coincide so neatly with the fiscal policies of the current national administration.

Fourth, no-need scholarships, when billed as "academic merit" prizes, weaken the principle that academic achievement should be its own reward. This principle has been challenged by some who say that financial awards should be given for good performance in high school just as they are for doing a job or performing research. I would argue that good high school grades yield many rewards, but that the high school student has not made the kind of contribution to society that justifies a monetary reward in the sense that a job, or even graduate-level research, does. The truly able high school student's rewards include community recognition, high self-esteem, intellectual enrichment that will last a lifetime, expanded options for further study, and--not incidentally--generous financial aid to pursue whatever educational goals he or she might choose, if such aid is needed. Need-based aid does reward merit, when it is appropriate to do so.

Fifth, no-need scholarships contradict the thrust and the policy statements of the major needs analysis services, as well as most state and federal financial aid programs, the purpose of which has been to help equalize for needy families the cost of various educational alternatives for their children. No-need scholarships thus disrupt an effort extending over more than a quarter century to make the administration of financial aid both systematic and equitable. They also raise a bothersome public policy question: can Congress and state legislatures rightly appropriate tax dollars, collected in large part from families which can't afford college, to families that can afford college or to colleges and universities which knowingly award grants to students whose families can afford to pay? Or, on a more local level, can institutions rightly give wealthy students tuition subsidies that are funded in whole or in part by tuition payments from less wealthy students? A survey this year by the College Scholarship Service revealed that over half of the institutions awarding no-need scholarships funded them, at least in part, from tuition and fee income.

Sixth, no-need scholarships damage the image of higher education. They make it appear that education is being discounted as if it were an overstocked commercial product. They encourage "bidding wars" and other degrading excesses in student recruitment. And they certainly raise questions about the real value of a college education, or at least about the pricing policies of colleges that seem to have excess funds to distribute to the sons and daughters of the wealthy. Students paying full charges at such institutions will soon catch on and begin to challenge such pricing policies, especially any students who may be achieving higher grades than some of the scholarship recipients. What then?

Seventh, despite apparent short-term advantages for some colleges, no-need scholarships are not economically viable in the long run. This is for three reasons. First, any widespread proliferation of bidding for student talent will aid only the wealthier institutions, thus hastening the demise of the less wealthy institutions, which ironically comprise the bulk of those resorting heavily to no-need scholarships. Secondly, students attracted through no-need scholarships require the same facilities, equipment, and services offered to others; their drain on resources must eventually dilute the quality of the institution's offerings to all of its students. Finally, even in the unlikely event that all needy students have been provided for -- as some of the offending institutions claim -- and the no-need scholarships can therefore be said to be drawn from "excess" funds, diversion of this money from other legitimate educational needs weakens institutional quality over the long term.

Eighth, and finally, no-need scholarships are rationalized by their promoters in ways which defy logic and border on dishonesty. This raises questions about the integrity of higher education as a whole. For example, awarding institutions often claim that enticement scholarships are designed not for recruitment, but as "recognition for academic achievement." At best, this claim is pompous rhetoric offered by the ill-informed. At worst, it is conscious deception. If no-need scholarships are really intended to reward high achievers, then why don't these colleges give the awards to the best high school achievers, whether or not they apply to or attend the awarding institution? Or why don't they offer the awards to the best students only after they arrive on campus? Or, better yet, why don't they give the money to the best achievers when they graduate from college, at which time they can know for sure which are the best college students? The same challenge can be thrown before those who propose government awards to high achievers. Why reward them when they are consumers of education, unless they need help to continue? Reward them, instead, when they begin to produce real benefits for society.

Many institutions also rationalize no-need scholarships by stating that they are intended to aid the middle-class family which can't qualify for other forms of aid. This is patently ridiculous unless the institution determines beforehand that the scholarship recipients are really middle-class, and almost all of them make no effort whatsoever to do so. If they did, they would quickly learn that the financial need criterion, properly applied, does not exclude the middle class from financial aid opportunities.

These eight points summarize my reasons for opposing enticement scholarships. I would like to augment these arguments with three additional observations.

In my judgment enticement scholarships are reprehensible no matter who offers them, but they are at their most distasteful when offered by state-supported colleges and universities or--worse yet--by the government itself. An institution's arrogance is full-blown when it takes tax money, much of which comes from families which cannot afford college, and redistributes it to families which can, and which are already receiving a tax subsidy in the form of artificially low tuitions! Often these are the same institutions which have overbuilt their campuses at public expense, duplicating facilities which already existed in under-enrolled private colleges in the same state. One must wonder in what manner such institutions have redefined the public interest, the principle on which they were founded. Incredibly, the recent CSS survey I mentioned earlier revealed that 89.5% of the public four-year colleges and universities offer no-need scholarships. Only about 10% of the financial aid dollars spent by the states themselves goes for no-need awards, but pressure is growing to increase this amount in the name of "educational excellence," a term whose meaning politicians are distorting in ways not heretofore imagined. And the federal government, while denying the existence of hunger in America and redefining ketchup as a vegetable, is talking of using public monies to award scholarships on a no-need basis. Those who propose such programs possess a degree of fiscal irresponsibility that is exceeded only by their own insensitivity to the real needs of our society.

A second observation relates to financially marginal small private institutions, which are now turning to no-need awards to bolster sagging enrollments. They are unwittingly sealing their own doom. They do not have the resources to compete for students through financial inducements. Their enrollment problem may be very real,

but it cannot be solved in the long run in this way. They would be wise to line up on the side of those trying to abolish no-need awards -- and the sooner the better.

My third and final general observation regards the way in which good college prospects are going to view no-need scholarships in the years to come. While many students now are grateful for the money and the recognition attached to these awards, I believe that even the intended recipients may view them with a jaundiced eye in the future. This change in attitudes will occur, I think, for two main reasons. The first is that the current controversy over these awards will inform students about the real reasons for their existence, with the result that students will become skeptical about the underlying motives of the institutions which offer them. Secondly, the promotional efforts of the institutions themselves are so undignified and transparent that any student who has both good taste and high intelligence will be repulsed, not attracted. If you doubt this assertion, I have a file full of material promoting enticement scholarships, much of which could be used with little change as advertising copy for your friendly local used car lot. The tendency for the future may be for no-need scholarships to attract students with two characteristics: a shortage of intelligence and a surplus of greed. Are these the characteristics we really want in the young people we educate for leadership in the next generation?

Not all colleges now in existence will survive the 1980's. Probably many should not. I do not believe, though, that any college will enhance its chances of survival by buying students. The effective strategy, instead, will be to offer programs which are worth what is charged, and to use financial aid funds to assist able students who cannot afford the full cost.